

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**
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REPORTING OWNER

Sinclair William C

CIK: **1295014**

Type: **4** | Act: **34** | File No.: **000-51002** | Film No.: **06514272**

Mailing Address

*ATTN: GARY M BEASLEY
2000 POWELL ST., SUITE
1555
EMERYVILLE CA 94608*

Business Address

510-735-2600

ISSUER

ZIPREALTY INC

CIK: **1142512** | IRS No.: **943319956**

SIC: **6531** Real estate agents & managers (for others)

Mailing Address

*2000 POWELL STREET, SUITE
1555
EMERYVILLE CA 94608*

Business Address

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EMERYVILLE CA 94608
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FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person Sinclair William C			2. Issuer Name and Ticker or Trading Symbol ZIPREALTY INC [ZIPR]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ____ Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) SVP of Ops. and Bus. Dev.	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006			
2000 POWELL STREET			4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person ____ Form Filed by More than One Reporting Person	
(Street)						
EMERYVILLE, CA 94608						
(City)						
(State)						
(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)			
Common Stock							9,626	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (Right to buy)	\$8.4	01/03/2006		A		30,000		01/03/2007 ⁽¹⁾	01/02/2016	Common Stock	30,000	\$ 0	30,000	D	
Employee Stock Option (Right to buy)	\$0.99							09/30/2003 ⁽²⁾	10/28/2012	Common Stock	83,333		83,333	D	
Employee Stock Option	\$7.5							04/29/2004 ⁽³⁾	03/28/2014	Common Stock	16,666		16,666	D	

(Right to buy)														
Employee Stock Option (Right to buy)	\$16.5						12/16/2005 ⁽⁴⁾	12/15/2014	Common Stock	25,000		25,000	D	
Common Stock Purchase Warrant (Right to buy)	\$3.93						⁽⁵⁾	12/17/2007	Common Stock	6,298		6,298	D	
Common Stock Purchase Warrant (Right to buy)	\$3.93						⁽⁵⁾	06/27/2008	Common Stock	760		760	D	

Explanation of Responses:

1. One-fourth of the shares subject to the option shall vest and become exercisable on January 3, 2007 and one forty-eighth of the shares shall vest and become exercisable on the first day of each calendar month thereafter.
2. One-fourth of the shares subject to the option vested and became exercisable on September 30, 2003 and one forty-eighth of the shares shall vest and become exercisable on the first day of each calendar month thereafter.
3. One forty-eighth of the shares subject to the option vested and became exercisable on April 29, 2004 and one forty-eighth of the shares shall vest and become exercisable on the first day of each calendar month thereafter.
4. One-fourth of the shares subject to the option vested and became exercisable on December 16, 2005 and one forty-eighth of the shares shall vest and become exercisable on the first day of each calendar month thereafter.
5. Immediately.

Signatures

/s/ William C. Sinclair

** Signature of Reporting Person

01/05/2006

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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